## NEWS RELEASE

## Hon. Robert T. Matsui Member of Congress

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## MATSUI HOLDS MEDICARE PRESCRIPTION DRUG TOWN HALL MEETING

SACRAMENTO, CA— The Albert Einstein Residence Center was full to capacity on Saturday, July 19, 2003, when Congressman Matsui held a town hall meeting to discuss the Medicare prescription drug legislation recently passed by Congress.

Matsui provided the crowd of almost 150 Sacramento residents with a review of the overall federal budget picture and how the legislation fits within this framework. The remainder of the discussion focused on the proposed drug benefit and its impact on seniors. Matsui relayed a number of concerns that comprise the basis for his opposition to the legislation, primary of which include:

- The Republican drug benefit is woefully inadequate. There is a significant gap in coverage where seniors will continue to pay monthly premiums, but receive no assistance towards the costs of their drugs. A senior with \$5,000 in annual drug costs would have to pay \$4,000 of that cost out of their own pocket.
- The Republican drug bill does nothing to lower prices. The bill explicitly prohibits the government from using the collective purchasing power of more than 40 million seniors to negotiate lower drug prices. Instead, private companies that offer a drug benefit to seniors will have to negotiate on behalf of each of their much smaller pools of beneficiaries, ensuring that costs remain high.
- The Republican bill undermines Medicare. Beginning in 2010, Medicare will be forced to compete with private companies for the provision of all Medicare and prescription drug benefits. This is often referred to as "premium support", which means that it shifts Medicare from the guaranteed, defined-benefit program it currently is to a defined contribution plan. This competition will allow private companies to attract healthier seniors, leaving sicker or chronically ill seniors in Medicare, making coverage unaffordable and leaving Medicare to "wither" away.

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